

DEFENSE CRIMINAL INVESTIGATIVE SERVICE
PRESS RELEASE

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that on June 11, 2001, Eileen B. Aird, Ridgewood, NJ, former President of Lifechem Laboratories, Inc., pled guilty in U.S. District Court to a 1-count criminal superseding information charging her with misprision of a felony with regard to double billing the Medicare program for approximately \$4.9 million.

The superseding information charged that Aird concealed and failed to report the commission of a felony by LifeChem in making false representations to the Medicare Program. She was charged with representing that certain laboratory tests were properly billable to Medicare for patients suffering from end stage renal diseases when Medicare had already paid for the tests. From 1990 through 1996, Aird was the General Manager and then President of LifeChem Inc, a subsidiary of National Medicare Care, Inc (NMC) of Waltham, Massachusetts. NMC was the largest provider of services to patients with end stage renal disease in the United States. LifeChem was an independent clinical blood laboratory that was owned by NMC and specialized in the performance of laboratory tests for patients with end stage renal disease.

In pleadings filed in U.S. District Court, the Government charged Aird with concealing and failing to report a crime by LifeChem from July 1992 through August 1995. The crime she concealed involved the submission of duplicate claims for payment for laboratory blood tests to Medicare between February 1991 and June 1992. The claims were accompanied by the false representation that the tests were lawfully payable as non-routine blood tests when, to the contrary, Medicare had already paid for the tests as routine blood tests for dialysis patients. The Government charged that Aird knew about the false representations, but did not disclose the false representation, did not pay back the monies improperly obtained from Medicare for the double billed tests, and concealed the false representations by continuing to tell Medicare that LifeChem only submitted claims for payment for lawfully reimbursable non-routine tests when she knew that tests had been double billed.

The maximum penalty is 3 years imprisonment and a \$250,000 fine. Aird is scheduled to be sentenced on September 13, 2001.